

Division: Industrial
Branch: Electronic Equipment

External Research Project Proposal

Title: Cost Analysis and Industrial Engineering Study of the Electronic Component of the Soviet Surface-to-Air Missile System (B-200)

Reference: "Proposal for Economic Analysis for a Foreign Electronic System",

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Problem: Approximately 3,600 SAM launching pads have been noted in the Moscow air defense system. A major element in this system is the B-200 electronically operated ground control and guidance unit. Although a wealth of technical details on the B-200 has been accumulated, very little information has been made available to date concerning the economic effort and resource allocation necessary to engage in large-scale production of this equipment.

The objective of the present proposal is as follows: contingent upon further exploitation and discussion, to conclude a contract with a qualified group of US specialists who will proceed from a technical analysis of the B-200 system to a cost analysis and a determination of industrial requirements necessary to produce it. Specifically, such a group would be requested to perform the following tasks:

1. Develop and state the physical specifications of one complete B-200 system. (This step has already been partially completed).
2. Analyze and state the industrial requirements necessary to produce the system. (Primarily involves examination of components, hardware, adduced work operations in order to determine types of machinery and assembly lines involved and rates of production possible).
3. On the basis of 1 and 2, above, perform a cost analysis of a complete B-200 system. The total cost should be allocated between inputs on the basis of what similar inputs would have cost US industry in terms of 1955 dollars. [REDACTED] has indicated in its preliminary proposal that it would undertake to determine Soviet wage rates, material costs, component prices, tax and distribution costs, etc. This Branch believes, however, that such an effort would duplicate a great deal of work either completed or already underway in ORR and, in addition, would inflate the cost of the project inordinately. It is our belief that if the Soviet inputs are valued in terms of US price weights, ORR will be capable of applying the appropriate ruble/dollar ratios).

Justification: The SAM missile system employing B-200 equipment is a Soviet air defense weapon designed for use against high-speed bombers. Many reports concerning this system are available. These reports are almost exclusively

technical in nature, although they contain sufficient detail on circuit design, construction methods, and operational philosophy as to suggest that exploitation in economic terms would be profitable. Such information could then be used by OHR in conjunction with other data to assess the B-200 program in relation to other Soviet electronic programs and to total electronics output. A knowledge of the economic effort necessary to accommodate any given level of B-200 production would be of great assistance in measuring the impact of this program on other electronic requirements.

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Qualifications of Contractor:

25X1A5a1 [REDACTED] is an industry group with sufficient experience to undertake this study. [REDACTED] personnel have actively participated in the acquisition and analysis of data on the B-200 system. [REDACTED] also has personnel familiar with the technical details of this system and who are, in general, cognizant of the problems involved in the production of SAM systems. In addition, [REDACTED] has a section regularly engaged in estimating costs of all phases of production, construction, support, and operations of large electronic systems.

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Estimate of Time and Money Required: It is estimated that the objectives of the project can be met within a 6-8 month period with a maximum expenditure of not more than [REDACTED]. It is recommended that every effort be made to implement the project on a firm contract basis rather than cost-plus-fixed fee as contemplated by [REDACTED].

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